

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

BOONESBORO WATER ASSOCIATION, INC.,)
(1) FOR APPROVAL OF THE INCREASED RATES)
PROPOSED TO BE CHARGED BY THE ASSOCIATION) CASE NO. 9312
TO THE CUSTOMERS OF THE ASSOCIATION; (2))
APPROVAL OF THE RULES AND REGULATIONS)

O R D E R

IT IS ORDERED that Boonesboro Water Association, Inc., ("Boonesboro") shall file an original and ten copies of the following information with the Commission, with a copy to all parties of record, within 3 weeks of this Order. If neither the requested information nor a motion for extension is filed by the stated date, the Commission may dismiss the case without prejudice.

1. It has been noted that an audit of Boonesboro was performed during 1984. Provide a copy of the 1984 audit and any other audit which might have been conducted during 1982 and/or 1983.

2. Provide the following information for the sewer operations which was placed in service during 1973.

- a. The cost of the original construction.
- b. The amount originally borrowed.
- c. Any Contribution In Aid of Construction received.
(Tap-on fees, grants, etc.)

3. Provide the same information as in 2 for the water utility which was placed in service during 1964.

4. Provide an amortization schedule for the loan(s) from the FmHA. (If separate loans were borrowed for the water and sewer utilities then Provide a separate amortization schedule for each.)

5. Does Boonesboro have a set procedure for apportioning common expenses or revenues between the water and sewer utilities? If so, provide those procedures and if not, how do you allocate the expenses or revenue between the two operations.

6. Explain why did the sewer operations only report two operating expenses, Maintenance of Other Plant Facilities (\$8,080.26) and Depreciation Expense (\$2,260.56), for the test period?

7. The following are in reference to the test period amount of \$62,526.50 which is payable to Rockwell Village, Inc.:

- a. Provide an explanation of the debt.
- b. Why is there no interest or interest rate recorded with this debt?
- c. During 1981 thru 1983 the level of this debt remained at \$48,272.08 but increased to \$62,526.50 during the test period; provide an explanation for this increase.

8. Provide a depreciation schedule for both the water and sewer operations.

9. Provide explanations of the accounted for water losses of 7,061,000 gallons.

10. The following are in reference to the purchases of the boring machine of \$2,300 and the mobile telephone system of \$2,500:

- a. How do you plan on recording the 2 purchases?
- b. What is the expected life of the two assets and the anticipated depreciation rate?
- c. When do you plan on actually purchasing the two pieces of equipment?
- d. For which utility are they being purchased?

11. Has this Commission ever approved of the sewer rates that you are presently charging?

Done at Frankfort, Kentucky, this 16th day of May, 1985.

PUBLIC SERVICE COMMISSION

Richard D. Hemmick
For the Commission

ATTEST:

Secretary